

**State of Texas
County of Bexar
City of San Antonio**



**FINAL
Meeting Minutes
City Council B Session**

City Hall Complex
114 W. Commerce
San Antonio, Texas 78205

Wednesday, May 13, 2015

2:00 PM

Municipal Plaza Building

The City Council of San Antonio convened in the “B” Room of the Municipal Plaza Building with the following Councilmembers present:

PRESENT: 11 - Mayor Taylor, Trevino, Warrick, Viagran, Saldaña, Gonzales, Lopez, Medina, Nirenberg, Krier, and Gallagher

1. Briefing and possible action on the FY 2015 Six Plus Six Financial Report (2nd Quarter Actuals with Annualized Projections), Mid Year Budget Adjustment Recommendations, and Five Year Financial Forecast.[Sheryl Sculley, City Manager; María Villagómez, Director, Management and Budget]

Maria Villagomez presented the Fiscal Year (FY) 2015 Six Plus Six Financial Report and FY 2016 to FY 2020 Five Year Financial Forecast. She reported that the FY 2015 General Fund Budget totaled \$1 Billion and noted that the Budget had been amended in November 2014 to increase Uniform Employee Healthcare. She stated that the FY 2015 projected year-end financial position was better than at Budget Adoption and included a lump sum payment to Uniform Employees consistent with the March 20, 2015 Collective Bargaining Proposal. She noted that it maintained a 15% General Fund Ending Balance consistent with the City’s Financial Policies. She highlighted the additional \$20 Million in projected revenues primarily from CPS Energy and Sales Tax. She reported that there would be \$6.2

Million in net savings in Department Budgets due to lower fuel prices. She added that Uniform Healthcare increased the Employee Benefits Deficit by \$2.1 Million to a total of \$22.7 Million.

In regard to the Financial Forecast, Ms. Villagomez reported that there was a manageable challenge in FY 2016 of less than \$1 Million. She outlined the distribution of the Property Tax Bill noting that the City of San Antonio receives less than 25% of the Property Tax Bill. She provided preliminary Property Tax Estimates for FY 2016 totaling \$22.3 Million and noted that the City's Property Tax Rate had not been increased in the last 22 years. She stated that the Five Year Forecast projected 4% average annual growth in Sales Tax Revenue and 2.6% average annual growth in CPS Energy Revenue. She compared the Collective Bargaining Proposals by the City of San Antonio and the San Antonio Police Officers Association. She highlighted the Five Year Forecast for FY 2016 through FY 2020 ranging from a deficit of \$700,000 in FY 2016 to a surplus in FY 2020 of \$18.4 Million consistent with the City's March 20, 2015 Labor Proposal. She noted that all years would experience deficits ranging from \$16.4 Million in FY 2016 to \$108.6 Million in FY 2020 utilizing the March 17, 2015 Labor Proposal. She mentioned that City South Annexation was a 2016 Budget Policy Issue, noting that areas were eligible for Full Purpose Annexation in January 2017.

Ms. Villagomez reported that there was \$1 Million in General Fund Contingency Available and highlighted the funding requests. She mentioned that there were Non-General Fund Requests and Capital Budget Funding Requests. She added that there were funding requests for the FY 2016 General Fund ranging from \$6.9 to \$7.1 Million.

Ms. Villagomez provided an overview of the Restricted Funds to include Development Services and the Hotel Occupancy Tax (HOT). She spoke of the FY 2015 Solid Waste Fund Results and Projections noting that they estimated a \$5.6 Million Surplus. She reported that there would be an 18-Month Rollout for the Solid Waste Variable Rate Pricing (VRP) Program which begins in October 2015. She outlined the Solid Waste Fund Projected Fee Schedule and Five Year Forecast which estimated a surplus for FY 2016 through FY 2020.

Ms. Villagomez presented the Mid Year Adjustment for the General Fund to include increases as follows: 1) Municipal Elections in the amount of \$630,000; 2) Code Enforcement in the amount of \$370,000; and 3) Fire Department in the amount of \$420,000. Within the Restricted Funds, she recommended the following Mid-Year Adjustment: 1) Increase Convention and Visitors Bureau by \$300,000; 2) Increase Convention Sports Facilities by \$411,000; and 3) Increase the Right-of-Way Fund by \$119,000. She provided an overview of next steps in the Budget Process and highlighted

the new Community Engagement Strategy which would include MeetUps, Social Media, and Online Feedback.

Ms. Kathy Davis spoke of the Animal Care Services (ACS) Strategic Plan Enhancement which would consist of adding three new positions to promote responsible pet ownership in the community. Additionally, she recommended increases of \$70,000 in FY 2015 and \$120,000 in FY 2016 to enhance marketing efforts and increase media impressions. She stated that they would add resources in the amount of \$200,000 to positively incentivize pet owners to spay/neuter, microchip, and vaccinate their pet. She noted that they would add one Animal Trainer Position to provide free community pet training classes in the community totaling \$60,000.

Mayor Taylor thanked staff for the presentation and asked if the lump sum payment included Police and Fire Employees. Ms. Villagomez replied that the proposal included the equivalent of a 2% lump sum payment for all Uniform Employees. Mayor Taylor asked of the higher healthcare claims. Ms. Villagomez replied that Uniform Claims were higher than in FY 2014 due to the Out-of-Network Usage and high number of dependents. Mayor Taylor requested that the SAPOA return to the Negotiating Table and stated that the last proposal by the City of San Antonio was fair and reasonable. She asked of the Property Tax Projections for FY 2017. Ben Gorzell reported that they had received preliminary information for FY 2016 from the Bexar Appraisal District and used that information and historical data to project for FY 2017. He added that they did not assume growth as high as in FY 2016 but was still fairly aggressive for FY 2017 at 6.5%. Mayor Taylor referenced a memo she sent to the City Council last week regarding a meeting she had with the Chief Appraiser to get a handle on the Property Tax Issue. She stated that they should look at how the City Council could provide some Property Tax Relief. She noted that she was pleased with the creation of the Office of Diversity and acknowledged the individuals that helped set up the framework. She mentioned the "My Brother's Keeper Program" that was focused on engaging and supporting At-Risk Minority Men. She noted that she was supportive of the Education Strategic Plan and the Workforce Development with the Alamo Colleges Program.

Councilmember Nirenberg asked if guidance had been received from Moody's or Standard and Poors Bond Rating Agencies. Ms. Villagomez replied that they had not referenced a specific target for the ending balance in the General Fund but were focused on keeping it at 16%. Councilmember Nirenberg asked of the amount being held for lump sum payments for Uniform Employees. Mrs. Sculley replied that they were not proposing retroactivity and that it would be a policy discussion of the City Council to determine how long to consider holding the lump sum payment. Councilmember Nirenberg asked of the funding for Street Maintenance. Ms. Villagomez replied that with the \$8.9 Million being restored,

they would be at the highest amount budgeted for Street Maintenance. Councilmember Nirenberg asked if funds were being set aside for the 300th Year Anniversary of the City of San Antonio. Mrs. Sculley replied that they were not but would propose including it in the FY 2016 Budget.

Councilmember Viagran asked of the additional funding allocated for Code Compliance. Ms. Villagomez replied that additional funding for overtime was needed due to the higher number of dangerous premises being abated. Chief Hood spoke of the additional overtime for the Fire Department noting that they had experienced an increase of 17% from last year of sick and injured employees. Councilmember Viagran asked if the projected increased revenue due to the World Heritage Destination was included in the CVB Forecast. Mr. Steve De La Haya replied that it was not included but believed it would be a great opportunity to sell and market the City of San Antonio. Mrs. Sculley added that they would incorporate it in the FY 2016 Proposed Budget. Councilmember Viagran requested a comprehensive discussion of the full City Council regarding the Gun Shot Detection Program and asked of the Alarm Permit Fee Waivers for Victims of Domestic Violence. Erik Walsh stated that they had discussed the issue at the last Public Safety Council Committee Meeting and that the Governance Council Committee had requested that they also review the potential to waive the Alarm Permit Fees for Senior Citizens. He noted that the Police Department does not track the permits issued for Victims of Domestic Violence but would do so over the next year and report to the City Council next summer. He added that they would look at reducing the fee for Seniors instead of eliminating the fee and would present that during the Budget Process.

Councilmember Warrick asked of the fuel assumptions for FY 2016. Ms. Villagomez replied that they utilized the forecast provided by the Department of Energy and utilize historical trends to project fuel costs. Councilmember Warrick asked how the \$100,000 for Trail Safety on the Greenway would be utilized. Ms. Villagomez replied that some options were to include additional cameras and signage and noted that they would provide recommendations to the City Council for approval. Councilmember Warrick asked if the funds recommended for ACS Marketing could be used for spay and neuter. Ms. Davis replied that they had looked at various options and did not feel that using the funds strictly for spay and neuter services was the best solution. She spoke of the importance of educating the community of responsible pet ownership. Councilmember Warrick stated that there were areas throughout the city including District 2 that had a much higher problem with stray animals and felt the money for education could be included in the FY 2016 Budget.

Councilmember Krier asked of the \$37 million ending balance. Ms. Villagomez explained that \$8 Million would be used for the lump sum payment for Uniform Employees and the

remainder would be used for the Ending Fund Balance. Mrs. Sculley noted that additional reductions may have to be made if a contract was not finalized with the Police Union. Councilmember Krier asked if there was a plan to address School Zone Safety throughout the city. Mike Frisbie replied that they were recommending a budget adjustment to address those that were highest priority and the remainder would be addressed during the FY 2016 Budget Process. Councilmember Krier asked if funding was allocated toward areas eligible for Annexation. Ms. Villagomez replied that there were no revenues or expense projections related to Annexation in the Five-Year Forecast. Councilmember Krier stated that Public Safety Expenses were proposed to remain at 66% of the General Fund and asked what it would increase to under the Union's Current Proposal. Ms. Villagomez responded that it would increase to 70%.

Councilmember Saldaña asked how the \$500,000 allocated to Body Worn Cameras would be utilized. Ms. Villagomez replied that it would be used to purchase 251 Body Cameras that would be used by the Downtown Police, as well as SAPD and Park Police Citywide. Councilmember Saldaña noted that there were 2,400 Police Officers and would like to increase the amount of Body Cameras purchased. In regard to ACS, Councilmember Saldaña recommended using some of the funds to advertise the free spay/neuter services available.

Councilmember Lopez stated that they should have a policy discussion on how to manage the City toward the Tax Rate or Effective Tax Rate instead of reacting to an increase or decrease in the economy. He spoke in support of the funding identified for Cyber-Security noting that it would yield a great economic development opportunity for the City of San Antonio.

Councilmember Gonzales spoke of the importance of educating the community on responsible pet ownership. She expressed concern with the Public Safety Response Times and expressed support for adding Police Officers for street patrol. Chief Treviño stated that they were maintaining 75 vacancies due to the Budget but were meeting their goals in regard to response times.

Councilmember Gallagher expressed concern with the low amount of sales tax collections and asked if there was something that could be done in the Legislature regarding foreigners that are reimbursed the sales taxes they pay. Mrs. Sculley replied that they would follow up on same. Councilmember Gallagher stated that it was important for the public to understand how the property taxes are allocated noting that the City of San Antonio only receives 22%.

Councilmember Saldaña expressed support for funding allocated to the B-Cycle Program.

Councilmember Treviño spoke of his experiences on the Bexar Appraisal Board of Directors and the process used to assess property values. He stated that there was misinformation in the community and wanted people to be aware of the exemptions available. He noted that he was in support of the Body Worn Cameras and the B-Cycle Program.

Mayor Taylor thanked staff for the presentation.

2. Briefing on the Pre-K 4 SA Board of Directors adopted FY 2016 Budget. [Peter Zanoni, Deputy City Manager; Kathleen Bruck, CEO, Pre-K 4 SA]

Item 2 was not addressed.

EXECUTIVE SESSION

Mayor Taylor recessed the meeting at 5:16 pm and announced that the Executive Session would be held the following day after the City Council Meeting to discuss the following items:

- A. Deliberations regarding economic development negotiations and discuss related legal issues pursuant to Texas Government Code Sections 551.087 (economic development) and 551.071 (consultation with attorney).
- B. Deliberate the purchase, exchange, lease or value of real property and discuss related legal issues pursuant to Texas Government Code Sections 551.072 (real property) and 551.071 (consultation with attorney).
- C. Discuss legal issues related to collective bargaining pursuant to Texas Government Code Section 551.071 (consultation with attorney).
- D. Deliberate the Audit Committee's report of the City Internal Auditor's duties and evaluation, pursuant to Texas Government Code, Section 551.074 (personnel matters) and Section 551.071 (attorney-client consultation).

RECONVENED

Mayor Taylor reconvened the meeting at 6:00 pm and addressed Citizens to be Heard.

CITIZENS TO BE HEARD

Mayor Taylor called upon the citizens registered to speak.

Daniel Graney expressed his appreciation to City Council for establishing the Office of Diversity and Inclusion and spoke of the importance of enforcing the Non-Discrimination Ordinance (NDO).

Marsha Warren thanked the City Council for establishing the Office of Diversity and Inclusion.

Danny Petri spoke against the zoning of the Planned Parenthood Facility located at 2140 Babcock Road.

Mark Perez commented on dangers to public safety based on the improper zoning and businesses operating without the proper permits.

Michael Knuffke spoke against using outpatient designation to zone the Planned Parenthood Facility at 2140 Babcock Road.

Patrick Von Dohlen spoke against the zoning and land use of the Planned Parenthood Facility located at 2140 Babcock Road. He petitioned the City Council to re-examine zoning laws.

Robert Salcido spoke of the importance of the NDO as the City of San Antonio continues to grow.

Chad Reumann thanked the City Council for the establishment of the Office of Diversity and Inclusion.

Gerald Ripley offered a proposal for the establishment of an Advisory Committee for the NDO and the equal representation of protected classes.

Sylvia Villarreal spoke against the zoning and expansion of the Planned Parenthood Facility located at 2140 Babcock Road.

Paul DiGiovanni commented on the importance of civic feedback and the utilization of IdeasForCOSA.com as an efficient means of receiving constituent concerns.

Nazirite Ruben Flores Perez congratulated the City Council that was re-elected and wished the others well in the Run-Off Election.

Miriam Castillo spoke of health and safety concerns at her Stablewood Home and requested assistance from the City Council.

Jim Cisneros commented on the importance of recognizing Veteran's Rights.

Cynthia Cavazos spoke of the need to improve City Infrastructure and hearing complaints regarding the need for repairs.

Faris Hodge, Jr. submitted written testimony regarding open enrollment for school children in San Antonio. He submitted a newspaper article regarding the different options for New Year's Eve Celebrations in San Antonio. He wrote that the overtime pay for Jail Guards soared due to the summer inmate population. He wrote that a court visitor was arrested for carrying a gun. He asked why homeowners needed a lush lawn in the Summer.

RECESSED

There being no further discussion, Mayor Taylor recessed the meeting at 6:50 pm.

APPROVED

IVY R. TAYLOR
MAYOR

ATTEST:

LETICIA M. VACEK, TRMC/CMC/MMC
CITY CLERK